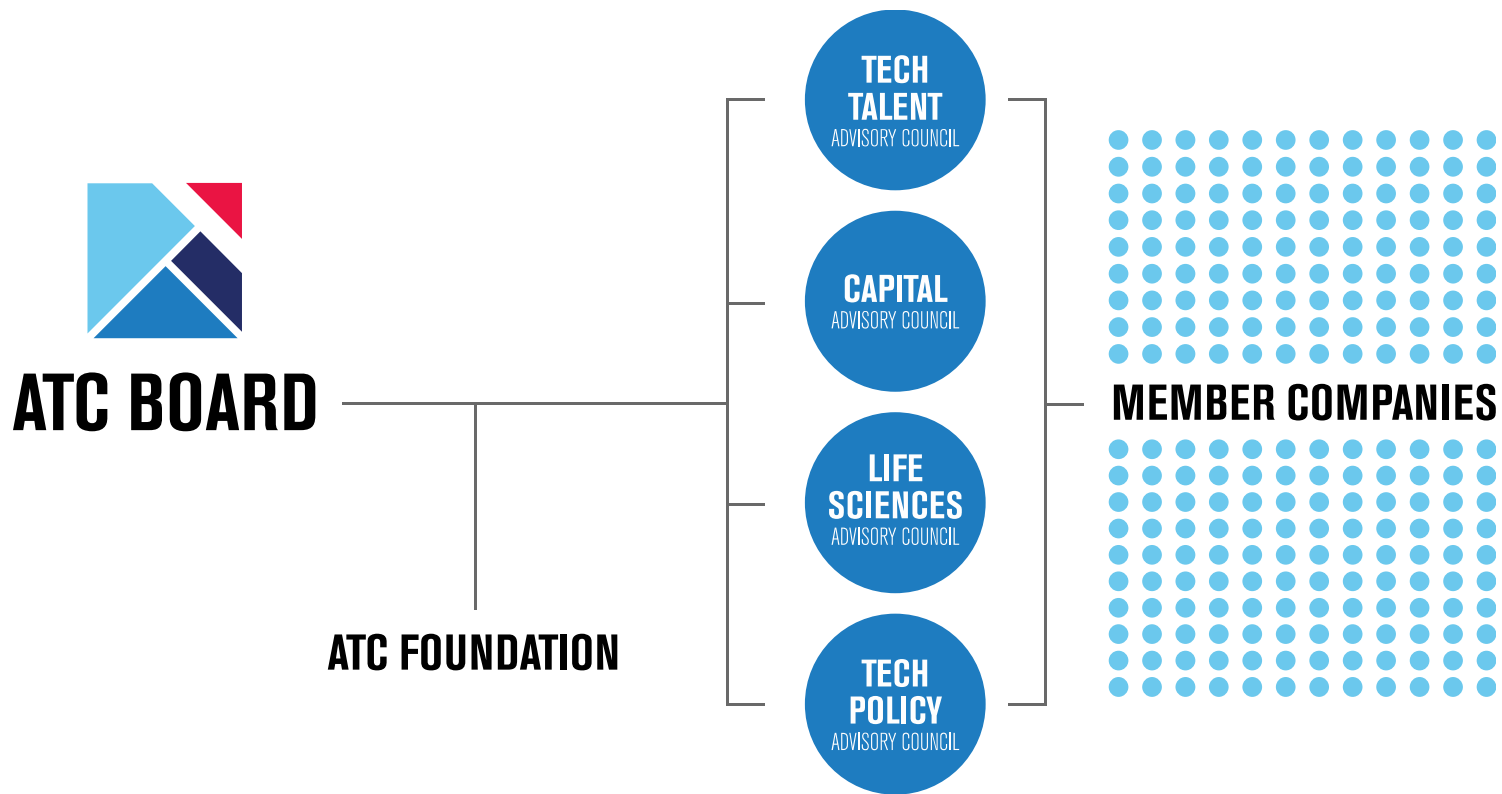


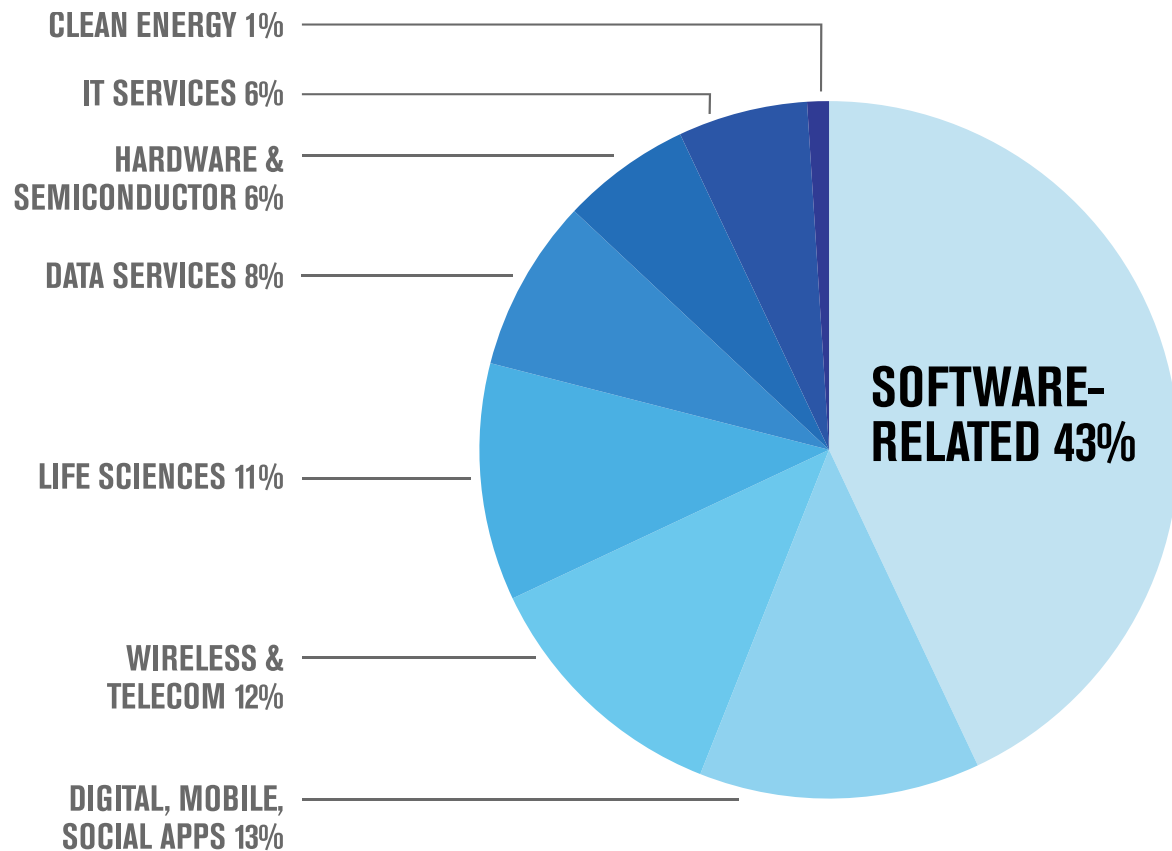


Austin Tech Partnership Annual Report
City of Austin Economic Opportunity Committee
January 11, 2016

ATC Structure



ATC Members



Austin Tech Partnership

Background

City Council resolved to address an unmet need to



Implement effective economic policies, streamline public investment, and save tax payer dollars



Establish a baseline to better understand and represent our market



Connect job creators to educators and workers



Establish a unique public private partnership to increase Austin's global competitiveness

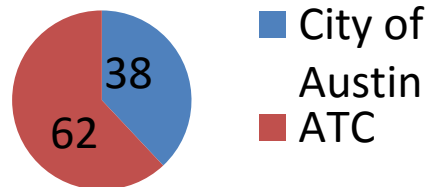


Sustain and enhance the benefits the innovation economy brings to all members of the Austin community

Austin Tech Partnership

Key Facts

- Established in 2014 as an ongoing research and education initiative
 - At Council direction, 2014/15 established baselines through research and data collection
 - 2015 and beyond will leverage those baselines to sustain and enhance Austin's tech economy
- First public-private investment in the country to study and strengthen tech's impact on the broader community
- \$775,000 annual budget
 - \$480K ATC members
 - \$295K City of Austin



Priorities

The ATP was structured with input from EDD and stakeholders to benchmark, develop, and execute support of the following priorities.

ACCELERATE GROWTH OF THE
TECH ECOSYSTEM THROUGH
MARKET DEVELOPMENT



INCREASE ACCESS TO
TECH TALENT



INCREASE ACCESS TO
LATE STAGE CAPITAL



INTEGRATE & STRENGTHEN THE
LIFE SCIENCES SECTOR



Execution 2014/15

Metrics were developed with EDD in support of the Four Priorities

DATA PRODUCTS AND ANALYSIS



Delivered

1. STEM Landscape
2. Workforce Gap
3. Tech/Alternative Degree
4. Tech Economic Impact
5. Capital Landscape

EDUCATION & ENGAGEMENT



Delivered

- 41 events**
- 4 Market Dev
 - 14 Tech Talent
 - 5 Capital
 - 8 Life Sciences

890 attendees

STAKEHOLDER DEVELOPMENT



Delivered



INTEGRATION & INCLUSION



Delivered

- ATCCF: 300 Students
- City of Austin
 - Digital Inclusion
 - Tech Hire
- Regional tech outreach

ROI 2014/15

At Council's direction, 2014/15 ROI was designed to provide deeper insight of our market's potential and direction for execution in subsequent phases.

ATP INSIGHT 2015: Economic Impact



108,310
JOBS IN AUSTIN

5,411



CREATED IN
TECH IN 2014



3,500 PER
YEAR
AVERAGE TECH JOBS
TO FILL THROUGH 2024

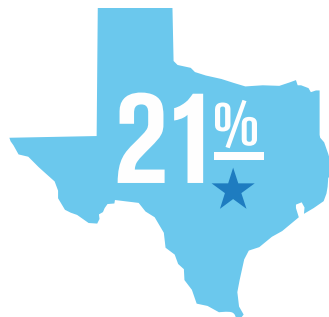


1,539 IN
2013
CORE TECH DEGREES IN AUSTIN
BY POSTSECONDARY INSTITUTIONS

THE GAP
2-3,000
TECH EMPLOYEES

ATP INSIGHT 2015: Economic Impact

TECH MAKES UP
11%
OF TOTAL AUSTIN
EMPLOYMENT



**TOTAL GDP
IN AUSTIN**



\$22.3 BILLION
VALUE ADDED TO AUSTIN'S GDP

ATP INSIGHT 2015: Tech Talent

2nd Stage/Growth Stage Companies may be feeling disproportionate impact of perceived shortage

Overall, how difficult is it to find qualified people to fill job openings at your company in Austin?

- 1 = Not difficult
- 2 = Somewhat difficult
- 3 = Difficult
- 4 = Very difficult
- 5 = Extremely difficult

How confident are you that Austin will be able to meet your future workforce demand?

- 1 = Not confident
- 2 = Somewhat confident
- 3 = Confident
- 4 = Very confident
- 5 = Extremely confident
- 0 = I don't know

Source: ATC Tech Talent Employer Survey. Second-stage firms have reached a growth stage of \$1M to \$50M in receipts and 10 to 100 employees. For more on second-stage company research see Edward Lowe Foundation at <http://edwardlowe.org/who-we-serve/secondstage>. *Complete responses only (n = 50). Differences not statistically significant.

Employees	Respondents Number*	Difficulty Average	Confidence Average
1 to 10	19	3.1	2.8
11 to 50	15	3.5	2.5
51 to 125	7	3.6	2.4
126 to 500	6	2.5	2.8
501+	3	2.3	3.7
Total (Ans)	50	3.1	2.7

ATP INSIGHT 2015: Tech Talent

How difficult is it to find qualified people to fill job openings in Austin?

- Developers likely driving perceptions of shortages but could be “spiky” by industry & stage growth

Occupation	Average	N/A
Comp & Info Research Scientists	3.2	65%
Information Security Analysts	3.2	65%
Software Developers, Apps	3.2	18%
Software Developers, Systems	3.2	29%
Computer Network Architects	3.1	55%
Electrical Engineers	3.1	71%
Computer Programmers	2.9	40%
Database Administrators	2.8	51%
Web Developers	2.8	41%
Computer Systems Analysts	2.7	69%

Occupation	Average	N/A
Electronics Engineer	2.7	76%
Network & Comp Systems Admins	2.7	52%
Computer Hardware Engineers	2.5	78%
Computer & Info Systems Managers	2.4	51%
Computer Miscellaneous (QA, testers)	2.3	51%
Industrial Engineers	2.3	82%
Comp Network Support Specialists	2.0	61%
Electrical/Electronics Engin Techs	2.0	76%
Computer User Support Specialists	1.8	53%

Source: ATC Tech Talent Employer Survey. Scores were averaged from number of respondents providing a rating or answering N/A (i.e. blank responses were excluded).

Developers accounted for 43% of reported job openings

ATP INSIGHT 2015: Tech Talent

How are we defining “tech”?

Austin’s largest tech sectors ranked by minimum of \$1 billion contribution to regional gross domestic product:

- #1 Computer & Peripheral Equipment
- #2 IT Services & Applications
- #3 Internet & Telecommunications
- #4 Semiconductors
- #5 Software

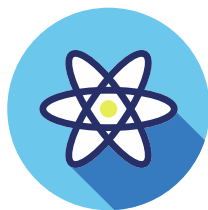
- \$22.3 billion in value-added (GDP)
- 4,182 establishments
- 108,310 jobs (120,257 by 2020)
- 67,546 “core” jobs in total tech talent labor pool in Austin (66% in tech)
- ~6,000 avg monthly job postings for core occupations – **~2,500 to 3,500** avg core job openings expected per year in Austin, 2014-2024*
- **1,539** core degrees awarded (2013)

Source: EMSI, 2014. GDP is an estimate for 2013. Jobs include self-employment. *Job postings are unique, de-duplicated average monthly openings advertised online during March 2014-March 2015 and include job openings at tech and non-tech businesses (i.e. total demand for core technical workers). See full Tech Talent Report for details and explanation of methodology used for estimates.

ATP INSIGHT 2015: Tech Talent

Gap Exists, Potential for Growth

- Smaller companies may feel disproportionate impact of perceived shortage
- Could be developers driving perceptions of shortages OR “spiky” by industry and growth stage



Need for Stem Education

- Current K-12 offerings in Central Texas don't match industry needs
- Total # Graduates in area falls short of demand

ATP INSIGHT 2015: Tech Talent

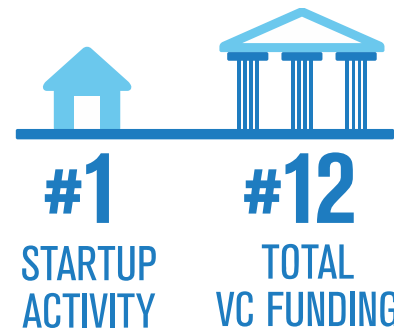
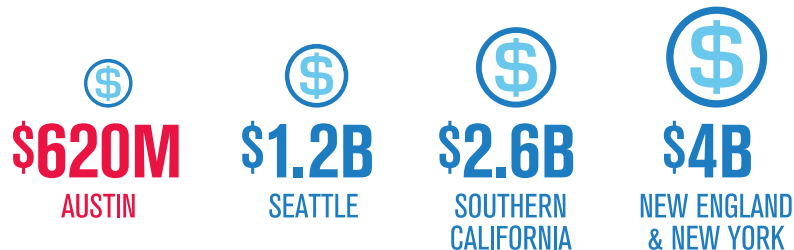
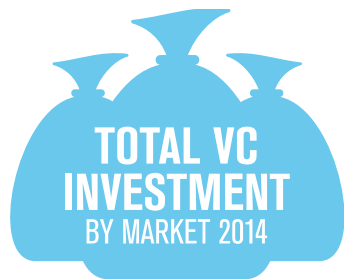
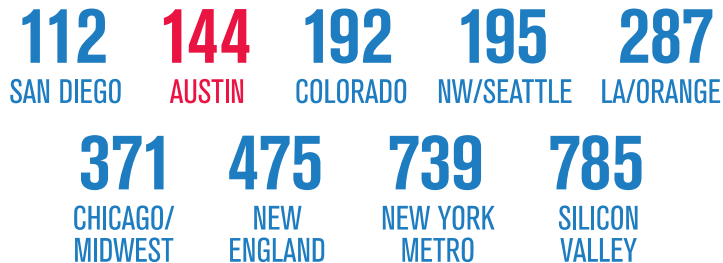
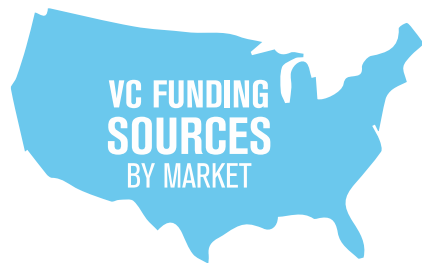
Non-Traditional providers are filling seats

1. The Iron Yard
2. General Assembly
3. MakerSquare
4. Austin Coding Academy
5. XTOL.Careers
6. Coder Vox
7. Girl Develop It
8. Flatiron School
Pre-College Academy

- Wide variety of program formats available in Austin from immersive full-time (\$10K+) to part-time to short-course (\$80).
- Sufficient demand in Austin to support multiple providers w/ growth plans.
- At least two programs have customized options for high school students.
- ATC or ATC Foundation can play important role of tracking program data

Source: Internet research and phone interviews completed by Civic Analytics during June-August 2015.

ATP INSIGHT 2015: Capital



MEAN AVERAGE DEAL SIZE



ATP INSIGHT 2015: Life Sciences



THE LIFE SCIENCES SECTOR REPRESENTS
206 ESTABLISHMENTS
AND ADDS \$1 BILLION
IN VALUE TO THE REGIONAL ECONOMY



MORE THAN 50%
OF LIFE SCIENCES
JOB ARE IN R&D



6,000+

JOB THE LIFE SCIENCES SECTOR ADDS
TO THE REGIONAL ECONOMY, 51% OF WHICH
REQUIRE A LEVEL OF HIGHER EDUCATION



WITH 52% HIGHER WAGES THAN
AVERAGE IN THE REGIONAL ECONOMY

2015/16 (Phase 2) Activities

With the insight gained in Phase 1 and in collaboration with City Council, EDD and other stakeholders, Phase 2 plans include

ACCELERATE GROWTH OF THE
TECH ECOSYSTEM THROUGH
MARKET DEVELOPMENT



- **Connect the High Tech Industry to EDD and its Partners**
- Economic Impact Update
- Regional Partners Study
 - San Marcos
 - Cedar Park
 - Round Rock
- Geo/Proximity Studies
 - By district
 - Community tech resources
- STEM education opportunities

INCREASE ACCESS TO
LATE STAGE CAPITAL



- Next ATP activity scheduled for 2016/17

INTEGRATE & STRENGTHEN THE
LIFE SCIENCES SECTOR



- Early Ecosystem Support Assessment

INCREASE ACCESS TO
TECH TALENT



- **Engage STEM Service Providers**
- **Coordinate Philanthropic Activity in STEM**
- **Align Human Capital Skills Development With Tech Workforce Needs**
- Impact 1,000 Central Texas students annually
- Define and map the top 20 tech occupations of the future
- Conduct a Competitive Pay Survey

Green items are currently budgeted for 3 years starting in 2015

Activities Beyond 2016

Every year, ATC meets with Council, EDD, and other stakeholders to assess progress and determine priorities and quantifiable outcomes for the following year.

Those could include students engaged in ATC/ATCF programs, tech volunteers in schools, products that strengthen Council District inclusion initiatives, and programming that develops local, state, and national stakeholder interest and commitment to our market.

ACCELERATE GROWTH OF THE
TECH ECOSYSTEM THROUGH
MARKET DEVELOPMENT



INCREASE ACCESS TO
LATE STAGE CAPITAL



INTEGRATE & STRENGTHEN THE
LIFE SCIENCES SECTOR

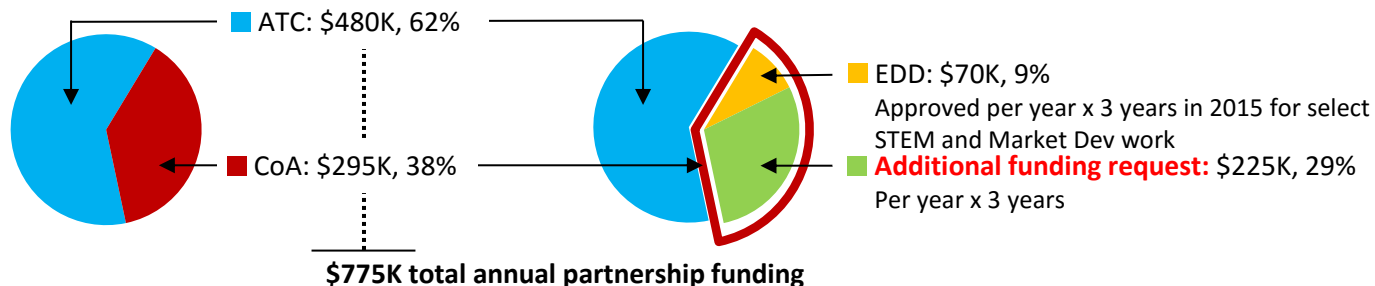


INCREASE ACCESS TO
TECH TALENT



2015/16 Funding and Beyond

The Phase 2 funding request is unchanged from Phase 1



The Austin Technology Partnership has proven to provide a unique differential for Central Texas in an increasingly competitive global market.



ATC respectfully requests that Council fund the full ATP program for 3 years.

